



Report On The Biennium — 2004 - 2006

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## *Our Agency's Mission*

The mission of the Employment Security Commission is to promote and sustain the economic well being of North Carolinians in the world marketplace by providing high quality and accessible workforce-related services.

The Commission provides employment services, unemployment insurance, and labor market information to the State's workers, employers, and the public. These services promote economic stability and growth, development of a skilled workforce, and a world class economy for North Carolina.

The following goals will guide the work of the Employment Security Commission as it meets state and federal guidelines and its overall mission:

- ◆ Enhance the Employment Security Commission's central partnership role in the workforce development community by leading and/or supporting initiatives and outreach that promote the effective delivery of services for the citizens of North Carolina.
  - ◆ Ensure that the Employment Security Commission is the recognized source for job matching, unemployment insurance, and labor market information for North Carolina's workers, employers, and public.
  - ◆ Preserve the integrity of the trust and reserve funds that assist qualified unemployed workers, and ensure a level of funding that will support high quality workforce services for the citizens of North Carolina.
  - ◆ Maximize the effective use of technology in the delivery of workforce services to North Carolina's workers, employers, and the public through real time, Internet-based, job search registration, job recruitment, unemployment insurance benefit claims, and labor market information access.
  - ◆ Treat each individual, customer, and employer with dignity, courtesy, fairness, and respect.
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## *ESC Chairman Harry E. Payne Discusses The Biennium*

Our great state continued to see numerous changes during the 2004-2006 Biennium (July 1, 2004 to June 30, 2006) and North Carolina's citizens responded exceedingly well, finding opportunities at most every turn, building our economy into a strong international player.

Once again, the staff of the Employment Security Commission of North Carolina proved — through their creative ideas and dedication to serving thousands with job search or unemployment insurance needs — that our biggest strength is each other. Teamed with our many partners — both within state government and in the private sector — our agency has been able to assist citizens and businesses, whether a hurricane has struck, or, if thousands of jobs need to be filled because of the state's strong economic engine has brought new development.

As an agency, we have continued to learn how to do more with less; to leverage technology to the fullest extent; to partner when logic and prudence say we should. That is the way of the future and we want to be at the forefront.

This report touches the highlights of how this agency met its responsibilities and with its broad customer base in an effort to build an infrastructure which will move us toward a better, more secure future.

Thank you for taking time to learn about our journey.



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## **Administrative Highlights**

◆ From June 13-17, 2004, more than 400 International Association of Workforce Professional (IAWP) members from around the world gathered at the Sheraton Imperial Hotel in Research Triangle Park for their annual meeting, which was hosted by the N.C. ESC. The Unemployment Insurance Committee of the National Association of State Workforce Administrators (NASWA) had its meeting during the conference. In addition, more than 30 different workshops and various leisure activities were available to attendees, including shopping, sightseeing trips and a Durham Bulls game.

◆ In September 2004, 33 volunteers responded to more than 1,500 citizen calls and e-mails during the third annual Labor Day event. In addition to the Central Office, staff volunteers came from the Dunn, Sanford and Raleigh Local Offices. Calls were re-routed from local office numbers so that customers in any part of the state could dial without long-distance charges and reach staff members in Raleigh. In addition, a toll-free number was publicized and an e-mail address was set-up to aid customers in getting through. "Most people work each day while our offices are open. After hours, e-mail is available, but there can be an overnight delay before that is answered," said Chairman Harry Payne. "Also, those searching for jobs while unemployed have to use the same hours to meet with potential employers. So, this holiday is a good time for us to assist people in these situations without their having to make a special trip or a long distance call."

◆ Hurricanes in the fall of 2004 caused extensive damage a several ESC offices, both along the coast and in the mountatins. First, Hurricane Charley made its way across Brunswick County August 14, with winds

gusting as high as 85-mph, tearing roofs off of buildings, downing trees and destroying crops. The Shallotte Office sustained severe damage from flooding when the roof succumbed to heavy winds. Region VI Manager Kaki Van Sickel, upon reviewing the damage, knew the clean-up was going to take weeks rather than days. The decision was made to relocate the office temporarily to Brunswick Community College during the renovation. Three weeks later, the Shallotte office reopened. Severe flooding – first from Hurricane Frances, then Ivan – wreaked havoc in more than 16 western counties, causing a multitude of roads and bridges to be washed out and closed indefinitely. ESC offices in Franklin, Bryson City, Sylva, Brevard, Spruce Pine and Burnsville closed for a half-day to two days due to power outages or flooding which made it hazardous – and in some cases impossible – for employees to travel to work. None of these offices sustained any damage. The Newland branch in Avery County, however, was not as fortunate.

First, Frances helped send five inches of water from the nearby

Toe and Linville rivers into the office, located in the County Services Building. Then Ivan delivered another nine inches of water, including mud and debris. After the flooding, Mayland Community College turned over one of its computer labs to Susan Siirila and Newland Manager Melissa Phillips to use as a makeshift office. Although there was not a telephone line for customers to place calls, Siirila and Phillips were able to call out using a fax line and cell phones. Siirila reported the office was handling about 20 customers a day.

◆ During the biennium, the communications function of the ESC continued to expand, reaching out to core customers (businesses, job seekers, unemployed workers, those needing statistical data), the media, legislators and the general public. One of the new features was a bi-weekly program on Curtis Media's State Government Radio, called "ESC Report." The continued use of electronic means to distribute information at a cost savings was a key and critical feature of most communications. In addition to the aforementioned, weekly newspaper columns, a weekly radio show, newsletters, press releases and other reports were



*U.S. Dept. of Labor  
Regional Administrator  
Dr. Helen Parker presents  
"Workforce Initiatives"  
workshop during the IAWP  
International Conference.*





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provided electronically through e-mail, compact disc, the agency website ([www.ncesc.com](http://www.ncesc.com)), and, in paper form, if requested.

◆ A delegation from Northern Ireland visited the Central Office September 21, 2004, to learn how North Carolina met the challenges of the recession, particularly with layoffs and providing job training for dislocated workers.

◆ In December 2004, delegates from Northern Ireland stopped by the Central Office in Raleigh for the second time in months to see what the ESC is doing to assist customers. Both sides of the Atlantic talked about employment in each region and discussed solutions along with new technological ideas to help individuals find jobs. Making the trip on behalf of Northern Ireland was William Haire, Permanent Secretary for the Department for Learning and Employment (DLE); DLC Michael Gould, Deputy Director/First Secretary,



*David Clegg, Dr. Micah Yang from Renmin University of China and Harry Payne.*

N. Ireland Bureau, Washington, D.C.; and Bernie O'Hare, Head of Lifelong Learning for the DLE. Northern Ireland is experiencing economic challenges much like the US in terms of foreign competition. "I am pleased that our employment and education leaders have formed a partnership to address these issues on both sides of the Atlantic," said David Clegg, ESC Deputy Chairman for Communications. "This partnership gives ESC the opportunity to understand the European Union and Northern Ireland the chance to learn how N.C. navigated the restructuring of core U.S. industries."

◆ Safety for ESC employees and customers took center stage for the year-end Commissioners meeting in Hendersonville on December 16, 2004. A range of topics, including how the agency will address its budget for FY2005 with technology and staffing, as well as refined safety measures, were discussed. "Members of the Commission felt strongly that they have a meeting in Hendersonville at the appropriate time to show their support of not only that office, but all our 93 offices across the state," said ESC Chairman Harry E. Payne Jr. "We have taken steps to try and insure we are doing what we can to protect our employees and customers. In addition, we have a lot on our plate in the fiscal and technological areas, so these discussions help set the course for the coming months to serve our customers — individuals and businesses — even better." An agency-wide survey was taken earlier and there was the formation of a Workplace Violence Workgroup to study improving safety conditions throughout the ESC. The group has made several recommendations for policy, physical site security, training and communication. Commissioners and ESC management used the feedback to begin implementing changes throughout the agency to protect both employees and customers in additional ways.

◆ January 2005 was marked at the ESC as staff met with Dr. Micah Yang, associate professor with Renmin University of China. Dr. Yang was in North Carolina to discuss economic conditions and the changing labor market in the region. ESC Chairman Harry Payne briefed Dr. Yang on how the labor market was changing due to the decline in manufacturing in North Carolina. Payne also stressed providing good customer service to help those who have been affected by hard times in the state. "North Carolina is pulling out of a recession from over a year ago," said Payne. "We (ESC) are striving to provide better ways for customers to find new jobs or receive quality training." One of the many differences discussed between the two sides was how North Carolina tries to grow business where the workers are. In China, business has been developing rapidly and migrant workers go where the work is. "We look to meet with individuals such as Dr. Yang so we can both benefit from taking a look at how each side is run," said David Clegg, ESC deputy chairman for communications. "By discussing our programs and sharing ideas, we hope to find new ways to solve issues."

◆ Delegates from Uzbekistan visited the ESC on April 4 to focus on the textile industry in North Carolina, as well as the impact of world trade and globalization on local economies. "The emerging democracies of central Asia have the task of

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creating representative government and restructuring a formerly state-controlled economy,” said David Clegg, ESC Deputy Chairman for Communications. “Uzbekistan’s interest in North Carolina as a model of successful economic transition and as a trading partner is further evidence that our marketplace is global in scale.” Uzbekistan has been increasing its exports and foreign direct investment, and is planning to join the World Trade Organization. The visitors had the opportunity to look at diverse experiences among the state’s counties, and programs that have been in effect to revitalize economies and to counter the job loss.

◆ Several hundred people attended the fourth annual Workers Memorial Day Ceremony, which honored workers who lost their lives while on the job. The event was hosted by the ESC at the Raleigh Central Office Kendall Complex on April 28, 2005. Speakers for the event included Chairman Harry E. Payne Jr., Deputy Chairman for Communications

David L. Clegg, Special Deputy Commissioner for Workforce Policy Patrice Fields, Yasmin Wurts Metivier, president of Panoltia, Inc. in Cary, and Reginna Ford from the Raleigh office. “Workers Memorial Day is a time for us to reflect on the safety and well-being of our greatest resource — North Carolina’s workers,” said Payne. “Our theme again is: ‘Safety Saves ... lives, time, jobs and money.’ Without healthy workers and safe workplaces, our state’s economy suffers. In addition, the need to strive each day for a better and safer workplace is critical.” Clegg said, “The most important goal that we seek as we build North Carolina’s economy in the 21st century, is that we work in safe environments. It doesn’t matter what you do in North Carolina’s labor market — the prime focus of what you do is safety.” Metivier, discussed the importance in safety for the Hispanic and Latinos working in North Carolina. “Employers have learned how to make our workplaces safer for everybody,” said Metivier. “And they’ve learned the importance of reaching across languages and cultures with education.” The ceremony also marked the groundbreaking and dedication of the ESC Memorial Garden. A new tree was planted to commemorate the new feature, which is expected to be completed in the near future.

◆ Over 3,000 telephone calls and e-mails were handled by 29 volunteers during the ESC’s fourth-annual Labor Day event in 2005. The purpose of the event is simple: “We want to show our agency’s commitment to serving North Carolina’s citizens on the holiday that honors them. Labor Day is a wonderful opportunity for workers — and many business owners — to ask questions and we want to be available to respond to their concerns,” said ESC Chairman Harry E. Payne Jr. Volunteers came from the ESC’s Wake County employees. The agency re-routed calls from local ESC office numbers so that customers in any part of the state could dial without long-distance charges and reach the staff members in Raleigh. In addition, a toll-free (in N.C.) number was publicized and an e-mail address was set-up to aid customers in getting through. The chairman also thanked those who spent their holiday time at work. “I think it shows the level of dedication our employees have at the ESC,” said Payne. “Unbelievable customer service was given throughout the day by our volunteers and I thank them for their time.”



*Chairman Harry Payne, Dilorom Nishanova, Adilkhodja Nabiev, Gayrat Yuldashev and Deputy Chairman David Clegg. ESC leadership met with the Uzbekistan contingent in April 2004 at the Central Office in Raleigh.*



*The fourth Labor Day Call-In Event (2005) served thousands.*



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◆ What's working for North Carolina might just work for places like Poland, Ireland and Colombia. During 2004-05, all three countries sent several delegations to Raleigh to talk with ESC officials about everything from unemployment to community colleges. After visiting Raleigh on several occasions, Northern Ireland invited ESC Deputy Chairman for Communications & Chief Legal Counsel David Clegg, Chief of Staff Tom Whitaker and Director of Information Systems Robert Cottrell to visit the country and see how employment issues were handled on that side of the Atlantic. The ESC has developed a relationship with the Northern Ireland Embassy over time after that government selected North Carolina as a model for its own economic development initiatives. "Over the past 18 months, we have been visited three times by Northern Ireland's Ministers of Learning and Employment as well as attaches of the British embassy," said Clegg. "As a result of the relationships formed, we were invited to participate in the formation of a delegation to visit Northern Ireland and assist the government with employment bureau administration, labor market information, education geared towards emerging technology, intellectual property and the development of culture as innovation for government and tourism." Whitaker assisted with issues of government administration; Cottrell with LMI and IT; and, Clegg with culture, arts and leisure. Susan Seymoure of N.C. Department of Community Colleges handled biotechnology, and Rodney Maddox, Chief Deputy with the N.C. Secretary of State, discussed protection of intellectual property. The ESC is awaiting a visit to the state by Angela Smith, Member of Parliament, who serves as Northern Ireland's Minister of Health and Education in 2006. Cottrell visited with the Northern Irish Department of Education and Learning. One of the many programs they covered was one similar to the ESC's "On-The-Job Training" program. Essentially, it's a co-op between the government and the employer. The idea is to move the unemployed through highly-directed training and into employment through the firms which participate. Both the government and the employers provide the facilities, transportation, instructors and other tools needed to help with training. However, there is no guarantee of employment with that particular employer at the end of the training. Northern Ireland faces many of issues that North Carolina faces. "There are similarities in the challenges we face in providing a higher quality of services to all citizens,"

*Angela Smith, MP*



said Cottrell. "While we explore options for North Carolina, we can learn from others around the world and also share with them what we have learned." Northern Ireland is trying to improve its "further education" programs, which are similar to community colleges here in the U.S. While North Carolina has embraced community colleges as a stepping-stone into larger universities or into a new career, Northern Ireland has only recently begun to put more focus on this level of education. At age 11 and a half, students are tested and then it is determined whether they will continue on an academic track or if they will go on a skills track. Currently, Northern Ireland's Minister of Education and Learning is working on making changes to that system. "They are also looking at expanding educational opportunities and revising a very traditional British education system," said Clegg. "Career decisions are made much earlier in life compared to here in the United States and the Northern Ireland leadership is very interested in the partnership between a public labor exchange like the ESC and the community college system, which provides skill specific training." One other challenge Northern Ireland has is keeping those who graduate from the major universities in Northern Ireland. "Many students will gain that education and move elsewhere," said Cottrell. "They'll take that education and go somewhere that pays better." The community college system is developing in Northern Ireland and there are currently about ten campuses located throughout the Republic that provide a wide range of services. "It closely resembles North Carolina's community college system, because it is based on our system," said Clegg. "Northern Ireland looks at our success in the areas of research and development and the protection of intellectual property and want to use that as a road map for their economic development."

## *Recent Delegation Visits*

◆ In late fall of 2005, the ESC had hosted other delegations — from Uzbekistan, Ghana, Poland, Colombia and Israel. From a worldwide economic perspective, North Carolina is viewed as handling well its recovery from the recession and these

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other countries have had economic challenges similar to North Carolina. One of those challenges is losing manufacturing in textiles, furniture and shipbuilding to cheaper labor markets. Many of these countries are looking to re-tool their economy much like North Carolina through a transition within the agricultural sector, within the textile sector and those sectors that were traditionally manufacturing. "Technology has made this world much smaller and North Carolina is viewed as a worldwide leader in innovation that covers everything from biotech to fish farming," said Clegg. "People are very much aware of what we are doing and North Carolina is viewed as a role model. This is part of the reason why these delegations continually visit us." While countries come to visit for information, the immediate reward is the opportunity to develop North Carolina as an international trading partner and also lure international investment into the state for research and development. Attracting companies from other countries is something North Carolina has done very well. Japan is the number two international investor in North Carolina. "There is a direct correlation between that investment and the employment of nearly 75,000 people throughout the state," said Clegg.

◆ Nearly 250 people attended the fifth annual Workers Memorial Day event at the Employment Security Commission of North Carolina on Friday, April 28, 2006. The ceremony honored the 80 North Carolina workers who lost their lives while on the job last year. In addition, a variety of speakers — including N.C. Rep. Deborah Ross, U.S. Rep. Brad Miller and U.S. Rep. Bob Etheridge — pointed out the daily need to observe safe work habits at any work site. "We have to understand that worker safety is a moral issue; it's an economic issue; it's just the right thing to do," said Rep. Ross. "We should make sure all of our workers have a safe environment." Congressman Miller said, "It is not enough for us to remember those who have died or who have been injured. We should also feel an obligation to try and do everything we can to make workplaces safer around the country and around the world safe for workers to work." Congressman Etheridge said, "All too often, government efforts are made the butt of jokes and political tirades. But today's Workers Memorial Day observance reminds us that workplace safety is no joke. And, for a lot of workers around the world who wanted to go to work today and could not because of injuries — it is no joke." ESC Chairman Harry E. Payne Jr. said, "We owe them a few tears, but beyond that, and more importantly, we owe them an emboldened heart of activism and caring. And, that is why your being here means something, that is why their (honored guests) being here means something — because you and I can make a big difference." Robert Andrews Jr., director for Safety & Loss Control for the N.C. Department of Transportation, was the keynote speaker for the event. "With every death, there was a loss to the family, there was a loss to the co-workers or fellow students and there was a loss of the memories that would have been made tomorrow. We need to be part of a solution," he said. "Workers Memorial Day gives us the opportunity to pause, to think about the importance of workplace safety and to make that a part of our life," said ESC Deputy Chairman for Administration and Communications David Clegg. "Because as we go to work each day to make a living, we are also making a life and we need that life to be safe and accident free."

◆ In April 2006, Northern Ireland continues to focus on North Carolina as it looks to re-work many facets of its workforce system. After a visit to Northern Ireland by ESC executives late last year, the delegates were ready to see more of the Tar Heel state. The delegation included Northern Ireland Parliamentary Under Secretary of State Angela Smith. Minister Smith is responsible for the Department of Employment, Learning and Education in Northern Ireland. Also along for the visit were: Michael Gould, First Secretary and Deputy Director of the Northern Ireland Bureau in Washington D.C.; and Catherine Bell, Deputy Secretary, Department for Employment & Learning and Sian McCleave. The focus of the March visit was to get a more in-depth look at the area and to see up-close how North Carolina has rebounded from losing jobs to foreign competition. The first stop was the Employment Security Commission's Central Office to have a meeting with several ESC officials, including Chairman Harry Payne Jr., Deputy Chairman for Administration & Communications David Clegg and Chief Legal Counsel Tom Whitaker. While at the Central Office, the delegation watched a PowerPoint presentation and some live system demos by Bob Cottrell and Pat Young on the changing economy in North Carolina and how it compares to Northern Ireland. They also focused on the coordination of the three "E's" — education, employment and economic development for future success. They also covered the ESC web page, JobConnector, NC Career Compass, NC STARS, WebSARAS and many web-based systems. "Our continuing work with Northern Ireland shows that there can be significant benefits to cooperation in a competitive world," said Cottrell. Clegg notes that Smith's visit was an important one on many levels. "The visit of Angela Smith was important to international relations between North Carolina with Great Britain because not only is she a Minister of Northern Ireland, but she is also a member of parliament of the ruling Labor Party for Great Britain," said Clegg. "Her influence in promoting North Carolina as a trade partner crosses the English Channel and has the potential to introduce trade opportunities with two large markets. Further, her interest in the partnership that exists in North Carolina among the ESC, Community Colleges, the Department of Commerce and the private sector and her desire to replicate that partnership gives North Carolina an inside track in economic development initiatives across the United Kingdom." Next, the group headed down Interstate 40 to Morrisville to meet and have lunch with executives from Credit Suisse. During lunch, Credit Suisse executives told the delegation their reasons for locating to North Carolina and how they recruit workers. From there, the group kept moving and headed to the ESC office in Durham. Manager Kathy Elliott provided them with a tour



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and gave them some information on all of the services the office provides. “It was our pleasure to host the delegation from Northern Ireland,” said Elliott. “They were quite interested in our partnership and the resulting spectrum of services that we are able to offer in one location. Sharing our information helped us to realize how fortunate we are to have the partnerships that we do in Durham.” The group wasn’t finished, as its next stop was the First Presbyterian Church in Durham. There the group met with local and county officials and some people who had benefited from several programs at the church. Angela Smith was presented with the key to the city. A reception sponsored by the Northern Ireland Bureau in Washington D.C. was the last stop of the day, with various state representatives and local leaders attending the event. Minister Smith commented on the visit and the relationship with the ESC. “During my visit to North Carolina, I met with Chairman Harry Payne, Vice-Chair David Clegg and their staff in the ESC,” said Minister Smith. “I was very impressed with their use of Labour Market Information and their focus on helping individuals to overcome any barriers they have to gain employment. I am delighted that Northern Ireland has established such a strong, mutually beneficial relationship with the ESC.”

◆ The Employment Security Commission earned the state’s prestigious USI (Utility Savings Initiative) Best Practice Award in spring 2006. More than 600 representatives from state agencies, universities, businesses and schools compete for the various awards. The maintenance staff lowered the buildings therm usage considerably and lowered energy consumption by 25 percent — possibly saving the agency nearly \$137,000 this year. “I am proud of what our Facilities Maintenance Staff has accomplished,” said Support Services Director Mary Carol Lewis. “We are truly a role model for other state agencies. We plan to continue being leaders in the area of energy conservation.”

## **Legislative Actions**

◆ Several issues of importance to the ESC were addressed during the short session of the General Assembly in 2004. These included the ESC receiving \$6 million from the Special Employment Security Administration Fund for the operation and support of its local offices. In addition, \$200,000 was appropriated for SOICC interagency participant tracking, and \$100,000 for Common Follow-Up Management Information System administration. Also, a moratorium to adding a 20-percent surcharge to employers’ unemployment taxes was not extended by the General Assembly. Therefore, the surcharge will be in effect Jan. 1, 2005. Another key issue is the creation of the “Trade Jobs for Success” initiative. An advisory council of various state agencies and business leaders will oversee using unemployment funds for monetary employer incentives, worker re-training and in-state relocation assistance for displaced workers, regardless of age.

◆ Deputy Chairman for Communications David L. Clegg was appointed in to the Joint Legislative Study Commission on Worker Retraining by House Speaker James B. Black. The study commission is charged with examining business incentives that encourage employers to support efforts by employees to re-train in order to qualify for high-paying and non-exportable jobs. The panel was created by the 2004 Session of the General Assembly and is comprised of members of the House and Senate, as well as appointees of the Speaker of the House and the President Pro Tempore of the Senate.

◆ ESC Deputy Chairman David L. Clegg appeared before the U.S. House Ways & Means Human Resources Subcommittee in June 2005 to discuss the agency’s efforts to recoup millions of dollars lost due to fraud. Clegg, the ESC’s deputy chair for communications and chief legal counsel, was one of five witnesses who testified that state implementation of the SUTA Dumping Prevention Act of 2004, Public Law (P.L.) 108-295, is generally going well, but additional tax abuses need to be addressed, and states should use their existing legal authority to go after past abusers. State unemployment insurance tax avoidance, or “SUTA dumping” is a scheme whereby businesses seek to avoid paying increased taxes, which ordinarily follow any layoff. The bigger the layoff, the potentially larger the increase will be for the business the following tax year, which begins each January. “I am pleased that North Carolina continues to be recognized as a leader in SUTA Dumping detection and enforcement,” said Clegg. “Our strong state law that imposes felony punishment for tax rate manipulation, and our development of a computer identification system for SUTA dumping was of great interest to Congress. Based on our aggressive posture towards this act that victimizes honest employers as well as workers transitioning through a difficult economy, North Carolina has become the model for other states to follow in securing the UI safety net for our nation’s economy.” While the ESC has always pursued SUTA dumping, increased efforts over the past two years have netted the agency over \$12 million in recovered taxes and penalties, Clegg told the subcommittee. And, there is more to come in North Carolina as the state prepares more cases to take to litigation. Clegg described how much his state has accomplished, much of it by using laws that already existed before the new state and federal laws were passed. He encouraged other states to use their existing legal authority and not simply write off past abuses, as past abusers are likely to be current abusers. Clegg said that “legal help from the federal government would be beneficial as these cases get bigger and harder.” This is the second

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time in two years Clegg has been asked to testify on the matter before Congress, which is considering additional SUTA legislation

## Technological Advances

◆ The 2005 NASWA Unemployment Insurance Technology Conference was hosted in Wilmington June 12-16 by the ESC. Hundreds of attendees came from nearly every state and exchanged ideas on bettering customer service. The ESC's Unemployment Insurance division led the way in organizing the event, dubbed the *"Connection Conference,"* which brought UI practitioners together with technology vendors to leverage new ways of applying technology within UI. The keynote speech, *"Managing Technological Change From A Business Perspective,"* best describes the conference. The conference was well-attended by professionals in the UI, Appeals, Quality Control, Remote Service Center and Information Technology fields from all over the United States.

◆ A web log (blog) hosted by the ESC Chairman becomes a first in N.C. State Government on Labor Day 2005. Chairman Harry E. Payne Jr. established the Internet site: <http://www.hepblog.com>, and it was up and running on Monday, September 5, Labor Day, and deals with workplace and workforce issues. "I am happy we have established this site so I can assist in discussing a number of work-related issues that our customers and other members of the general public are interested in," said Payne. "Whether the topic is the current minimum wage, or, the features of an online system to assist job seekers, there are many, many ideas we need to kick around as we improve the workplace in our state. An Internet blog seems to be a well accepted means to provide that forum." The site will be accessible directly through the aforementioned URL and also through the ESC's website. Direct feedback to Payne will be available on the blog page through a response e-mail address: [heps.blog@ncmail.net](mailto:heps.blog@ncmail.net). Several other direct links to areas of interest for business owners, job seekers and other ESC customers will also be available on the page.



## Division Activity

◆ The Gaston County JobLink hosted an open house August 24, 2004, to celebrate meeting revised chartering criteria established by the N.C. Commission on Workforce Development. Carolyn Helms, JobLink Coordinator, and Sharon Riggan, manager of the ESC Gastonia Office/JobLink, headed ceremonies presenting the new charter. The JobLink is the first ESC-hosted site to achieve Level III.



**WOTC Unit: Janice Washington, Floriece Davis-Jones, Classie Covington, Doug Elliott, Nancy Dolby, John Wilkins and Marie Marks.**

◆ WOTC Unit processes and mails 21,000 decisions in fall 2004. In order to receive a federal tax credit from the Work Opportunity Tax Credit Program (WOTC), employers must get their paperwork in within 21 days of the employee's first day on the job. If an employee stays on the job long enough (400 hours), the employer receives 40 percent times the gross wages, up to a maximum of \$6,000 gross, or a \$2,400 tax credit per worker hired. The WOTC program went on hiatus January 1, 2004 and the WOTC Unit did not get confirmation that funding was approved for the program until October 5, 2004. Because of the delay, 21,000 applications had stacked up, waiting to be processed and mailed. The staff had to work furiously to get the forms processed. It was a major undertaking but teamwork made for success. "Within four weeks, the 21,000 employer certifications and denials had been mailed," said Doug Elliott, the



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ESC's WOTC coordinator. "This is a perfect example of ESC teamwork and professionalism."

◆ The Fayetteville ESC office has worked in successful collaboration with Cumberland County Workforce Development in an On-The-Job Training (OJT) program covered under the Workforce Investment Act (WIA). ESC consultants Ellen Mintz and Rodney Simmons led the program effort by going out into the field and explaining the benefits to employers and carefully screening eligible WIA clients so there is a comfortable fit between employer and client. They also discussed the specific learning objectives with the employer. The first completed contract was with local Fayetteville employer Quality Sound & Video. A second participant completed their OJT contract at Stidman-Wade Dental Clinic. On-the-job training can be a valuable option, particularly for certain dislocated workers who need or desire a more immediate return to the workforce than would be possible with other programs.

◆ With nothing more than what they could carry, Hurricane Katrina evacuees from Louisiana arrived in North Carolina to welcome arms in fall 2005. At shelters throughout North Carolina, evacuees were given a chance to take showers, receive a warm meal, wear clean clothes and for the first time in days, get a good night's sleep. Residents of North Carolina were quick to act and lend a helping hand. Whether it was donating food, clothing or money, those in the Tar Heel State were ready to give some southern comfort.

In Charlotte and Raleigh, the ESC was immediately ready to help those in need of filing for unemployment insurance, disaster unemployment assistance or finding a job. Raleigh office Manager Gene Norton and his staff were the second agency on-site in the capital city, behind the Red Cross. By the end of the first week, there were 15 to 20 other agencies at the shelter in Raleigh. "Early in the process, we were probably most effective in providing general assistance," said Norton. "In addition to help with employment and UI, we were asked to help get evacuees



***Reginna Z. Ford (right) helps Louisiana evacuee Robert Odoms fill out information forms in Raleigh following Hurricane Katrina.***

to where they could get the best assistance with whatever problem they wanted solved, i.e. transportation, housing, clothes, etc." Within the first two weeks, they had processed over 190 job orders and had taken many more calls from employers seeking information. The staff was successful in getting a lot of donations of toiletries, clothes and furniture. "We were dealing with people who had just arrived and were still experiencing a degree of shock, fear, some anger, while at the same time they were expected to do the things to start getting themselves to a point where they could be self-sufficient," said Norton. Right away, the makeshift office began helping those in need of a job. Blake Huffman came in looking for employment and ended up at school. Huffman was prepared to start at a community college in New Orleans before Katrina hit. After a local community college said it couldn't accommodate him, N.C. State stepped-up and provided Huffman with a semester of education. The university also is helping Huffman prepare forms for financial aid and other grants, so he may continue his education after one semester. In Charlotte, Allan Mackie and his group were busy helping several hundred other evacuees. Just like Raleigh, the evacuees in Charlotte were mostly thankful. "More than once I heard someone say New Orleans thanks you," said Mackie. "Over and over, people just wanted to thank us for being there and trying to help them get back on their feet." As many as 400 evacuees were in the Charlotte shelter at one time. Mackie estimates that nearly 1,600 passed through shelter or through other ESC offices from surrounding counties. "Many of them had evacuated prior to the hurricane and were already staying with family or friends in the area," said Mackie. Perhaps what made the helping the evacuees so difficult was how situations would change from day-to-day. "One guy was in contact with an employer and was

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set to take a job when he got a call from a friend in Chicago who offered him a place to stay,” said Mackie. “He wasn’t sure what he wanted to do.” NCAWP members in the Raleigh Central Office donated several truckloads of items ranging from socks to toothbrushes to help those at the Raleigh evacuation site. Region VII Chairperson Nancy Womble thanked everyone who gave donations. Just over \$1,300 was raised by the ESC to help those affected by the hurricane.

◆ North Carolina continues to set the pace when it comes to identifying companies responsible for State Unemployment Tax Avoidance, or “SUTA dumping.” Other states are becoming more aware of companies committing this crime in their states as well. The N.C. ESC SUTA Team took time in fall 2005 to address seven states, some ESC Field Tax Auditors, representatives from the Benefit Payment Control Unit, and others at a meeting which took place in Raleigh. The gathering was tailored to the states’ request to come to North Carolina and be trained by the N.C. ESC SUTA Team, with specific requests for individualized concentration in areas of detection and investigation. “While North Carolina has raced forward to do good things, other states are still trying to understand the tax evasion problem,” said ESC Attorney Fred Gamin. “That is why it is good to help them by sharing our hard-won lessons. We have the most talented Unemployment Insurance auditors in the nation.” Anne Coomer, an ESC Tax Manager, said, “Everyone on the SUTA Team did an outstanding job of providing the attendees with a detailed insight of their respective areas of responsibility. North Carolina’s continued success is attributable to a supportive management and an outstanding SUTA Team which provides leadership in this difficult job. The SUTA Teams and agency management are committed to the ESC mission and preserving the integrity of the Unemployment Insurance Trust Fund and reserve funds.”

◆ The U.S. Department Of Labor recognized the ESC for hard work after Hurricane Katrina. The storm certainly took its toll on the Gulf Coast region and the ESC responded by helping take phone calls and file claims. The extra work and, long hours didn’t go unnoticed; the U.S. Department of Labor acknowledged ESC’s Unemployment Insurance, Employment Services, and Remote Services Center for hard work and dedication during a difficult time. Since August 16, 2005, until mid-November, the agency’s UI staff has answered over 7,000 calls and have handled nearly 3,800 claims. “Extraordinary contributions were made by the agency’s UI, Employment Services and Remote Services Center staff,” said UI Director David Canady. “They deserve every bit of the USDOL recognition.”



**ESC Raleigh office staff assist in answering questions during a bilingual job fair co-sponsored by Univision 40.**

get an idea of what step they needed to take. “They were very pleased with our call center, making note that it was very functional and very helpful during their visit,” said Canady.

◆ More and more employers are seeking the services of employees who are bilingual. To that end, the Raleigh ESC Joblink Career Center co-sponsored a bilingual job fair along with Univision Channel 40 in Raleigh. “Our effort has greatly increased to assist with the growing need employers have in finding bi-lingual workers,” said Raleigh Manager Gene Norton. The

◆ Filing unemployment insurance claims for Hurricane Katrina victims beginning in fall 2005 turned into a team effort to help the state of Mississippi. “Mississippi didn’t have any call centers and that put them at a disadvantage,” said ESC Unemployment Insurance Director David Canady. “Along with a couple of other states, we all pitched in to help in a very difficult time.” Mississippi decided to form a call center of its own to help take unemployment insurance claims. On their way to visit the Remote Services Center in Raleigh in February 2006, the representatives stopped by Alabama and Tennessee to check out those call centers and



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spring 2006 fair attracted about 50 businesses and about 1,500 job-seekers. “We were able to market the services of ESC and the JobLink Center to both job seekers and employers,” said Norton. The turnout surprised both Univision and the ESC. Several employers were turned away due to limited space and plans have already been made to have another fair in the fall, this time at a location that can accommodate more employers. The ESC and the JobLink Career Center had two tables at the event. The first table assisted English-speaking customers while the second table assisted Spanish-speaking customers. Employers ranged from local auto service facilities to national retailers, such as Best Buy.

## **Financial Management**

◆ The agency began the biennium in July 2004 with a deficit of -\$273 million in the Unemployment Insurance Trust Fund. By the end of the two-year period, June 30, 2006, the Trust Fund had \$150 million and all loans had been repaid. The state’s seasonally-adjusted unemployment rate went from 5 percent to 4.6 percent during the biennium. The maximum benefit (per week) increased from \$416 to \$442 in the period.

### ***A History Of Unemployment Insurance Trust Fund Borrowing***

With an economic downturn affecting the state during the biennium, the ESC had to use creative and strong financial tools to assist with the Unemployment Insurance Trust Fund solvency. A general timeline follows:

- May 2002 – August 2002: ESC began utilizing a Reed Act distribution of \$243 million to pay UI benefits and delay borrowing.
- November 2002: Began utilizing State Reserve Fund to pay benefits and delay borrowing. A total of \$190 million was used initially.
- April 2003: Utilized the provision of Title XII of the Social Security Act, which provides for states to borrow from the Federal Unemployment Account (FUA) to make benefit payments.
- April — September 2003: ESC utilizes the provision in the Social Security Act that provides for states to borrow from the FUA for the months January-September interest-free, provided that the total amount borrowed is paid back by September 30 and a state does not borrow again from the FUA account for the period October-December.
- September 2003: ESC receives authorization from the N.C. Council of State for the State Treasurer to issue Tax Anticipation Notes (TAN) on behalf of ESC to be used to pay off the FUA borrowing, effective September 30 and to have a source of funds to pay benefits for the months of October-December.

#### ***Savings To ESC:***

1. Free borrowing from January to September.
2. Borrowing costs for the period October to December were 4 percent lower for the TAN than would be for the FUA.

● The practice of FUA borrowing from January-September and TAN borrowing from October-December continues for the years 2004 and 2005.

● For 2006, ESC did not have to borrow past May 2006. The final TAN borrowing was paid off in February 2006 and the final FUA borrowing was paid off in May.

● TAN borrowing for 2003 — \$192 million; TAN borrowing for 2004 — \$269 million; TAN borrowing for 2005 — \$77 million.

## **Distinction**

◆ Thelma M. Hill, a senior deputy chairman of the ESC, was elected international president-elect of the International

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Association of Workforce Professional at the ESC-hosted international conference of the group in RTP in June 2004. She later assumed the office of president on July 1, 2005 following a swearing-in ceremony in June of that year at the international conference in Albuquerque.

◆ Curtis Morrow, Manpower Program Supervisor II, in ESC Workforce Development, received the IAWP Award for Specialized Customer Services in August 2004.

◆ For the first time in the history of the ESC, in the fall of 2004, two employees — Betsy Edward and Ron Piercy — were selected in the same year to receive the State Employees Award for Excellence (formerly known as the Governor's Award for Excellence.) Edwards and Piercy comprised two of the ESC's three submissions for the state award. They were among the dozen recipients chosen out of 115 nominations from 47 competing state government agencies. Previous ESC winners of the State Employees' Award for Excellence were: Sherry Burris, Waynesville Local Office, 1998; David Clegg, Central Office, 1997; Thurman Graves, Burlington Local Office, 1996; and Linda Binnick, Charlotte Local Office, 1990.



*Harry Payne with Thelma Hill.*

◆ ESC nominees were honored by National Association of State Workforce Agencies (NASWA) in late 2004. The national honors went to the late Letch Beatty, former manager of the ESC's Hendersonville office, and Carl T. Camden of Kelly Services. The ESC nominated both for the awards. ESC Senior Deputy Commissioner Thelma Hill accepted the the James F. Walls Award on behalf of Beatty's family at a special ceremony September 15 in Louisville. "We are so very proud that Letch's service to his community and our state have been recognized in this way," said Chairman Harry Payne. "He adhered

to solid workforce development standards and reached lofty goals in service to the profession. He was a leader at work and around his community — we miss him very much." The Walls Local Office/One-Stop Center Employee of the Year is to "honor a local office/one-stop center employee whose conduct demonstrates his or her outstanding dedication to customers, fellow employees and his or her local community," said NASWA President Catherine Leapheart. "Although events underlying Mr. Beatty's recognition are tragic, the judges on the Awards Committee want NASWA's members to recognize his achievements, leadership and dedication to the ESC," said Richard A. Hobbie, the organization's executive director. Beatty was killed by a disgruntled worker in the Hendersonville office in April 2004. Camden, a senior official with Kelly Services received The William L. Heartwell Jr. Award for his fight against State Unemployment Tax Avoidance, or "SUTA dumping." Schemes by businesses to evade paying their fair share of unemployment insurance taxes have cost states millions of dollars and eventually lead to problems whereby those following the law see their costs rise because of SUTA dumping. North Carolina is a national leader among states actively pursuing SUTA dumping. So far, millions have been recovered by the agency. "Carl Camden's tireless efforts to fight and rein-in a problem which threatens the fiscal stability of the



*Letch Beatty*

nation's unemployment insurance system are remarkable," said Deputy Chairman for Communications David Clegg in his nomination of Camden. "Mr. Camden not only chose to keep Kelly Services above the fray and on high moral ground by steering away from SUTA dumping when approached from consultants and accounting firms, but he offered his services to Congress to ensure that they were aware of the problem." The Heartwell Award was established to recognize an individual — outside the state workforce agency system — and his or her contributions to the improvement of the nation's workforce development system.

◆ Patricia (Pat) Bryan received the Second Annual Ethleen Larkin Award on January 28, 2005. The award was presented to Bryan by ESC Chairman Harry Payne. Surrounded by co-workers, Bryan was surprised and overwhelmed by winning the award. "I had no clue I was even nominated; it was a complete surprise," said Bryan. "It doesn't feel real."

Payne said, "I can't think of anyone more deserving, She is looked upon highly by her peers and co-workers on both a personal and professional level." Bryan started with the ESC in 1991, in the Purchasing department, where she still works today. She enjoys everything about the ESC — including her co-workers and the diversified workload. That combination



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keeps her interested in the job she loves so much. “It’s easy to come to work in an warm and friendly environment like the ESC,” Bryan said. Bryan’s supervisor, Sherry Matthews, said, “She is very dedicated and loyal to both her job and her co-workers. She’s very sensitive to people’s needs and strives to please customers and co-workers.” Bryan receives a plaque; recognition on a plaque in the ESC Central Office lobby; a week of vacation time; a week stay at Bald Head Island; and, a parking space next to the chairman.

◆ A film crew showed an ESC manager’s son as he patrolled Baghdad’s worst neighborhood — and was featured on national television in early 2005. For Nelson Rose, the ESC’s Smithfield office manager, a CBS report by Dan Rather allowed him to see his son, Benjamin, on television, facing the daily dangers of Haifa Street, better know as the “toughest street in the world.” Most military families anxiously await mail, e-mail or the occasional phone call from their soldier when they are off to war. The Roses view through their television showed the stresses their sons (and the sons and daughters of others) face while serving with the U.S. military in Iraq. Rather toured Baghdad in January and covered a story on the 82nd Airborne’s involvement in protecting Haifa Street in Baghdad. “We usually talk by instant messenger on the computer,” said Rose. “Telephone calls can get a little expensive.” Benjamin went to Iraq on December 5, 2004, in



*Benjamin Rose in Baghdad with the U.S. Military.*

preparation for the elections in Iraq. He began his career with the Army in May of that year. While in basic training with a Special Forces unit, Benjamin was hurt in jump school. The injury caused him to leave the Special Forces unit and join the Third Battalion, 325th Regiment, Bravo Company, with the 82nd Airborne at Fort Bragg. The dangers of this part of Baghdad can be very chilling. Children are paid to throw grenades at U.S. soldiers. “Walking down an alley or a side street is extremely dangerous,” said Benjamin Rose. “Everyone but two soldiers have been fired upon or struck in that area.” Since the elections, the number of incidents have decreased although Benjamin and his group know they have to stay aware and that anything can happen at any time. The 325th go on one to two missions a day.

◆ The State Energy Office has awarded the ESC in March 2005 a “Leadership In Sustainable Energy Award.” The Support Services division of the ESC reduced energy consumption in the 250,000 square foot Central Office over the past five years and caused energy costs to drop nearly 26 percent. These cost savings go back to the operating funds of the ESC. “The division expends a significant amount of funds in utility and maintenance costs,” said Tim Parker, director of Support Services for the agency. “Any cost reductions revert back to operating funds to support the re-employment efforts throughout the state. Any improvement in system performance directly affects up to 700 persons working in the Central Office, and indirectly affects the unemployed population of the state to some extent.” The ESC saved over \$130,000 in 2004. Some of the biggest gains in savings came as a result of leadership in the maintenance department. “The accomplishments of this division rests with the leadership of the staff and focus on the objective of energy conservation while maintaining good customer service,” Parker said.

◆ ESC Chairman Harry E. Payne, and ESC Deputy Chairman for Communications David L. Clegg, along with representatives of the Governor’s Office, joined with BB&T representatives at a press conference on March 8, 2005, to discuss the release of the seventh installment in a series of Spanish-language educational audiotapes. “As the tenth largest state, North Carolina’s labor market is comprised of a rich diversity of talented workers,” said Clegg. “These tapes will assist our growing Hispanic and Latino population in accessing North Carolina workplaces with confidence to both present their skills and be prepared for advancement.” Tape No. 7 offers basic information on common workplace protocol in America; tips on finding a job; and, general information on investing. It also touches on the benefits of Hispanics and Latinos visiting their nearest ESC office. It is sponsored by BB&T; the ESC; and, the N.C. Office of Hispanic/Latino Affairs within the Office of the Governor. BB&T created the 60-minute “BiBi” (pronounced Bee-Bee) tapes, which are named for one of its characters. The tapes are available at no charge throughout BB&T’s 1,400-branch network across 11 states and Washington D.C. The tapes will also be available in ESC offices throughout the state. The two-sided “BiBi” cassette tapes are designed to bridge the learning gap

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many Hispanics say exists when it comes to life and how to live it in America. The seventh tape explores topics such as the advantages of BB&T's bilingual ATMs and call centers; workplace issues such as sexual harassment and teamwork; and career guidance — including resume preparation and what to wear to an interview.

◆ Thelma Hill began her term as the new president of the International Association of Workforce Professionals during the June 2005 National IAWP Conference in Albuquerque N.M. “It’s certainly a great honor,” said ESC’s Hill. “This is a great responsibility and I look forward to the challenges that are ahead.” ESC Chairman Harry E. Payne, Jr. was also honored, receiving the “Administrator Of The Year” award. “I’m proud to receive such an award,” said Payne. “Certainly being an administrator is easier when you have the dedicated people who work with me everyday.” Payne was noted for his efforts in instituting technological innovations for improved delivery of services to ESC customers and his priority of safety for ESC employees. North Carolina also received some other notable awards (and provided other, winning, nominations) from the IAWP:

- Olevia Miller was named “International Retiree Of The Year.” Miller began her ESC career in 1950’s. Since then, she has chaired and worked on various chapter committees while employed and after her retirement. Miller has also hosted and planned the bi-annual luncheons for ESC retirees.

- The first corporate official to blow the whistle on SUTA (State Unemployment Tax Avoidance) “dumping” was given the 2004 “Individual Citation” award. Carl T. Camden is the chief executive officer and president of Kelly Services Inc. Kelly is the second largest staffing services company in the U.S. Camden has successfully lobbied U.S. Congress to enact federal legislation banning the use of tax avoidance schemes by companies seeking to pay less in unemployment insurance taxes and to require states to pass laws outlawing these practices. North Carolina nominated Camden for this award.

- North Carolina State Sen. Daniel G. Clodfelter received the 2004 “IAWP Public Policy Award.” The ESC, through its Deputy Chairman of Communications David L. Clegg, actively sought Sen. Clodfelter’s assistance in moving the ESC legislative agenda in the General Assembly during the 2003-2004 legislative session. Sen. Clodfelter became a watchdog of the needs and rights of both employees and businesses. Sen. Clodfelter and the ESC formulated a partnership that focused on improving the unemployment insurance system for North Carolina’s workers and employers.

◆ Rain, mud, a plane that couldn’t fly, home building and more rain and mud doesn’t sound like much of a summer vacation. However, for Lockhart Taylor and Kate Taylor of the Central Office, it was all worth it when you looked at the big picture. The big picture was building homes through Habitat For Humanity on a summer 2005 Costa Rican Service Pilgrimage. The effort was put together with their church, Christ Episcopal Church in Raleigh. “I’ve never seen so much rain in such a short period of time,” said Lockhart, director of ESC Governmental Relations. “But knowing that our work would give someone a place to live pushed us to get the job done.” Kate Taylor said, “Even though it rained nonstop, and our work site was the biggest mud pit that I have ever seen, our entire group bonded together and increased our faith.” She works in the Remote Services Center. “We all came back to the States wanting to do more for our communities,” she said.

◆ Hot off the press in late summer 2005 is one of the state’s newest publications, **“North Carolina Career Network Magazine,”** featuring the ESC’s own, Chairman Harry E. Payne Jr. on the cover of the premiere issue. The Triad-based magazine hit the newsstands in late August. The article featuring the chairman discussed which career paths in our state will be strongest in the near future. Additional photographs accompanied the cover story, including a shot of ESC Raleigh office staff members Pat Alston and Stephanie Lattimore discussing client issues and job listings.

◆ Goldsboro Veteran’s Employment Consultant Billy Patterson has been awarded the 2005 James C. Gates Award for Services to Veterans. Patterson was the runner-up in 1995. “It’s very rewarding to help veterans through transition,” said Patterson. Although he’s humbled by winning, Patterson gives credit to those around him. “It’s a team effort with the veteran’s staff and the office staff, it’s more about working together than individual effort.” Patterson works closely with Seymour Johnson Air Force Base by helping with a three-day program that



**Multiple award winner Billy Patterson.**



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highlights preparing for interviews, listening skills and role-playing to assist veterans who are looking for jobs.

◆ Sherwood J. Southerland Jr., former manager of Charlotte's Uptown JobLink Career Center received the Jack Callaghan Cornerstone Award in June 2005. The award honors an individual's long-standing commitment to the essential value of work and leadership in assisting persons with barriers to employment. "We are obviously very proud of Sherwood and Goodwill's decision to honor him on the organization's 40th anniversary," said ESC Chairman Harry E. Payne Jr. "Sherwood has done much to boost workforce development in Charlotte and Mecklenburg County, and, this award mirrors that effort." Southerland has served the ESC for 22-years, the last seven in Charlotte. He was named as the new Regional Manager for the ESC's Region VI on July 1. The Charlotte Observer presented the award to Southerland at Goodwill's 2005 Cornerstone Awards Luncheon at the Adam's Mark Hotel in Charlotte, where over 600 people attended.

◆ ESC Chief of Staff Thomas S. Whitaker was elected secretary of the National Association of State Workforce Agencies (NASWA) on Sept. 15 during the organization's annual meeting in Grand Rapids, S.D. "Even though Tom has earned a great deal of respect throughout North Carolina and with other state agencies here, what is not generally known is how well thought of he is among the other workforce agencies across the United States," said ESC Chairman Harry E. Payne. "This is a wonderful honor for him for all that he has done on a national level." Whitaker has worked for the ESC and state government for over 30-years, including serving as acting chairman of the agency for a portion of 2001. Within NASWA, Whitaker previously served as chairman of the association's Unemployment Insurance Committee. NASWA is the national association of state agencies that provide unemployment insurance, public employment services and labor market information data. Whitaker is a Burlington native and 1970 graduate of Catawba College. He is a 1974 graduate of the Wake Forest University School of Law in 1974. Whitaker has been a member of the North Carolina Bar since 1974.



**Thomas S. Whitaker**

◆ David L. Clegg received the Unemployment Insurance Legal Award of Merit given by the National Association of State Workforce Agencies in the fall of 2005. The award recognizes individuals who have made outstanding contributions to the study and advancement of



**David Clegg receives the National Association of State Workforce Agencies Legal Award of Merit from (left) Joseph Bervid, chief counsel of Iowa ESC, and, Nancy Smith, chief counsel of Idaho ESC.**

unemployment insurance law in the United States. Clegg was recognized for his leadership in national legislative efforts to strengthen unemployment insurance tax avoidance statutes. Clegg was cited for his work with N.C. Senators Daniel Clodfelter (D-Mecklenburg) and Martin Nesbitt (D-Buncombe) in drafting and advocating for felony unemployment insurance tax avoidance legislation that was signed into law by Governor Easley in 2003. He was also recognized for testimony and consultation with the U.S. House Ways and Means Committee that led to passage of federal law based on the North Carolina statute signed into law by President Bush in 2004. Clegg also spearheaded an effort to assist other states in implementing the national mandates and protecting the solvency of state unemployment insurance trust funds. The award is the highest honor given to attorneys practicing in the area of unemployment insurance law.

◆ Denise Sampson received the third annual Ethleen Larkin Award on January 17, 2006. Sampson came to work for the ESC in 1980 as a transcribing typist. In 1981, she became a claims adjudicator and promotions to Adjudicator II and Labor Market Analyst followed. Currently, she is a Employment Market Research Analyst in LMI.

Before Sampson came to the ESC, she worked for six years at the University of North Carolina at Chapel Hill. The Larkin Award goes annually to that person who best exemplifies Mrs. Larkin's dedication to this agency and those who work here. "It is truly an honor to win the award," said Sampson. "Of course, everyone knows Mrs. Larkin and her contributions to the agency. I also worked with the first winner, Robert Rudisill, when we were both in Adjudication and I know that he did excellent work. I also know a little about Pat Bryan and to receive an award that they also got is unbelievable." ESC

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Chairman Harry Payne said, “Those who work with her comment on her having a gift of patient communication with our employer customers that results in her winning their trust and confidence. She readily accepts some of our most challenging cases in that regard. For twenty-five years, she has quietly done tremendous work in what she describes as ‘her little corner.’” Sampson had no idea that the award was coming. “I was truly surprised,” Sampson said. “My supervisor, Teeny Massey, told me that there was a meeting on the 5th Floor to discuss the Occupational Employment Statistics (OES) unit. When the chairman began reading about the Larkin winner, I truly had no idea that it was me.” For winning the Larkin award, Sampson receives a plaque; recognition on a plaque in the ESC Central Office lobby; a week of vacation time; a week stay at Bald Head Island; and, a parking space next to the chairman for the coming year. “The best part of winning the award is that my little contribution to ESC has been recognized. I have always tried to do good work. However, I thought that I was working almost anonymously, but I guess others were watching. The perks of the award are also great,” Sampson said.



*Retiring N.C. Rep. Connie Wilson receives a plaque from Chairman Payne in appreciation for her support of the ESC during the September 2004 Unemployment Insurance Management Conference in Charlotte.*

**HONORED** — U.S. Rep. Mike McIntyre (above, left) was presented with a plaque of appreciation by Robeson County veterans during a ceremony April 17, 2005, at the ESC's Lumberton office. Representing Chapter 7 of the Disabled American Veterans was the agency's Paul Britt (right), who joined with other chapter members in saluting Rep. McIntyre.





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## *Commissioners During The 2004-2006 Biennium*

*Harry E. Payne Jr., Chairman*

*John Cilley*

*Jack Cipirani*

*Thomas Myers*

*Brenda N. Oocumma*

*Linda Sutton*

*Valerie Dorsett*

*Edward W. Kelly III*

*ON THE FRONT COVER — From all of North Carolina's 100 counties, to throughout the United States, and indeed, the world (delegation from Poland, center photo), the Employment Security Commission of North Carolina reached out to provide needed services to millions of job seekers, business owners, members of the media, General Assembly and the general public.*



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*Raleigh, North Carolina 27611*

*Public Information Office — 919.733.4329*

*Copies of this publication are available at [www.ncesc.com](http://www.ncesc.com)*

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